BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
MCI Telecommunications Corp.	)	
	)	
Petition for Declaratory Ruling That	)	CC Docket No. 96-45
Carriers May Assess Interstate Customers	)	
An Interstate Universal Service Charge	)	
Which is Based on Total Revenues	)	

COMMENTS OF SPRINT COMMUNICATIONS CO. L.P.

Sprint Communications Co. L.P.
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April 24, 1998

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COMMENTS OF SPRINT COMMUNICATIONS CO. L.P.

Sprint Communications Co. L.P. supports the above-captioned petition of MCI for a declaratory ruling that carriers may impose a charge on interstate customers based on the customers' total billed revenues (including intrastate revenues) to recover federal universal service costs.[1]

MCI states (at 2) that it is applying its charge to recover USF costs on its interstate customers' total invoice, including intrastate usage, and seeks a ruling that such recovery is consistent with the Universal Service Order.[2] MCI argues (at 4-5) that such an interpretation is consistent with ¶829 of the Order, which merely limits pass-through of universal service costs to interstate customers, without limiting carriers as to how they would compute such a charge, and that it is also consistent with the Commission's

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[1] Sprint is not filing a copy of these comments electronically.

[2] Federal-State Joint Board on Universal Service, Report and Order, 12 FCC Rcd 8776 (1997).

determination that it can take intrastate revenues of interstate carriers into account in funding its universal service programs.

Although Sprint currently applies its federal USF recovery charge (the "Carrier Universal Service Charge") only to customers' charges for interstate and international telecommunications services, Sprint believes MCI's approach is not inconsistent with the Universal Service Order, and that carriers should have the option of applying federally tariffed USF-related surcharges to their customers' intrastate charges if they choose to do so. While that order is not free of ambiguity, both ¶¶829 and 851 contemplate that carriers can pass their contribution requirements onto customers of interstate services, without specifying or restricting how these costs should be recovered from such customers. Likewise, ¶838 states (emphasis added) that recovery is permitted "solely via rates for interstate services," but this limitation would merely seem to require that the recovery charge be an "interstate" rate, i.e., a rate contained in the carrier's federal tariffs, rather than its state tariffs.

On the other hand, ¶824 states (emphasis added): "...we will assess and permit recovery of contributions to [high cost and low income programs] based only on interstate revenues." It could be argued that this limitation in ¶824 requires that any surcharge for recovering USF costs be applied only to the carrier's charges for interstate services. However, such a literal reading of this language is contradicted by other provisions of the order. Thus, pursuant to ¶779, contributions for the high cost/low

income USF programs are based not "only" on interstate revenues, as a literal reading of ¶824 would require, but on international revenues as well.[3] The more reasonable interpretation of the restrictive language of ¶824 is, in Sprint's view, that it was merely intended to require that the charge be tariffed in the federal jurisdiction.

Considering these various provisions of the Universal Service Order together, it seems that the most reasonable interpretation is that the Commission simply intended to ensure that the carriers' recovery of their federal USF costs should be contained in tariffs over which the Commission would have supervisory control – federal tariffs – and that the Commission was not seeking to determine how carriers should compute such charges. However, because some ambiguity exists, Sprint fully agrees with MCI that the Commission should clarify its intent, and should do so promptly.

Granting MCI's petition might also reduce the complexity of computing USF-related surcharges. For example, many carriers have non-recurring charges or monthly minimum usage charges that are identical in their intrastate and interstate tariffs and apply equally to interstate and intrastate use of the service. It is difficult in attempting to levy a surcharge on interstate-only revenues from the customers, to determine the proper jurisdictional classification of such charges. Granting MCI's petition would enable carriers to apply surcharges across the board to all revenues received from the customer, without having to exclude categories of charges or arbitrarily assign them to one jurisdiction or another.

[3] In ¶779, the Commission makes clear that "international" revenues are not "interstate."

For the foregoing reasons, Sprint supports a grant of MCI's petition.

Respectfully submitted,

SPRINT COMMUNICATIONS CO. L.P.

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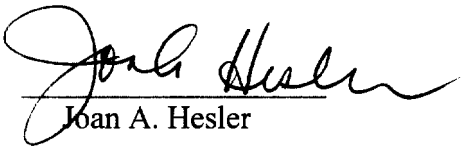
April 24, 1998

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing COMMENTS of Sprint Communications Co. L.P. was Hand Delivered or sent by United States first-class mail, postage prepaid, on this the 24th day of April, 1998 to the following parties:



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